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**GOVERNOR DAVIS ANNOUNCES NEARLY \$9 BILLION FOR
HOUSING PROGRAMS**

State Agency Will Finance Homes for 64,600 Families Over Five Years

SACRAMENTO – Governor Gray Davis announced two important housing initiatives that will lead to homes for at least 64,000 families by 2005. California Housing Finance Agency (CHFA) has adopted an aggressive \$8.8 billion, five-year business plan to provide loans for 64,000 homes and apartment units for working families, the elderly, and those with special needs. A component of the plan is the immediate funding of \$10.3 million to 10 local agencies in an innovative state/local partnership that will create nearly 600 affordable housing units.

“To sustain our remarkable economic growth, California must increase the supply of affordable housing for working families,” Governor Davis said. “CHFA’s Business Plan will provide much needed affordable home loans and financing of rental units for low and moderate income families.”

\$8.8 Five-Year Business Plan

CHFA’s \$8.8 billion, 5-year business plan will help provide more than 42,000 home loans, totaling \$5 billion; \$1.9 billion in homebuyers mortgage insurance; \$1.6 billion in multifamily rental housing loans and commitments, including preservation projects (at-risk of being lost as affordable units); and another \$300 million of lending to support CHFA’s core activities. It is estimated that 58,000 new jobs will result from the \$2 billion of newly constructed single family homes and \$200 million of new affordable multifamily rental units financed under the plan.

Under this plan, CHFA, the State’s affordable housing bank, provides loans to first-time homebuyers with interest rates that are below market and require down payments as low as 3% or in some circumstances, no down payment at all. In addition, the plan provides financing with interest rates as low as 1 percent to create affordable rental housing tied to social programs for those Californians requiring special-need facilities.

Housing Enabled by Local Partnerships (HELP)

Governor Davis also announced the award of \$10.3 million to 10 local government agencies in an innovative state/local partnership. The approved loans range from \$300,000 to \$1.5 million, depending on the scope of each project. Recipients of this funding include the cities of Berkeley, Montebello, and Exeter; the Housing, Community, or Economic Development Departments of Santee, Daly City and the county of Alameda; and the Redevelopment Agencies of the cities of Fremont, Morgan Hill, Richmond, and Lompoc.

These awards are part of a five year, \$100 million competitive program called HELP (Housing Enabled by Local Partnerships) that utilizes CHFA’s Housing Assistance Trust to create a broad spectrum of affordable single and multifamily housing projects.

HELP is structured as a “loan to lender” program, with CHFA providing a 3% simple interest loan to qualified local government agencies. Those agencies then become the lender and directly make loans for projects to address unmet affordable housing needs at the local level. Since its inception in 1998, the HELP program is projected to result in the creation of over 5,000 units of affordable housing that

otherwise would not have been available to working families in California.

To receive a copy of the 50-page plan or for information about CHFA's loan programs visit CHFA's website at www.chfa.ca.gov or call (800) 789-2432 or (916) 322-0249

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